

Is a Recession Coming? And, If So, How Would It Impact Real Estate Market?

We Realtors have noticed a general slowing of the real estate market over these summer months, so I'm a little surprised that the statistics don't reflect any significant slowing. The chart at right is an example.

Even while the economy as a whole has shown signs of an impending recession through traditional leading indicators, and while showings are down and we've seen more price reductions recently, homes continue to sell, and sold prices are not yet going down significantly.

Median sold prices progressed through the \$300,000s starting in May 2015, passing \$400,000 in April 2018, fell back into the 300s from September 2018 through February 2019, then peaked at \$421,000 this past May. They have stayed around that range since June, falling only to \$418,000 in August.

Meanwhile, real estate trade publications and websites have featured numerous articles warning of an impending recession, which is causing buyers to hold off on making offers. Last Thursday, NAR's chief economist, Lawrence Yun, was quoted as saying, "Super-low mortgage rates have not yet consistently pulled buyers back into the market. Economic uncertainty is no doubt holding back some potential demand, but what is desperately needed is more supply of moderately priced homes." Yun predicted the

low rates to continue through the end of the year, but also predicted that the sale of existing homes will not increase. He predicts home prices will rise by 3% in 2020.

Also last week, realtor.com released a survey of 755 home buyers, 51% of whom said they expect a recession this year or next year, and 56% of whom said that if a recession does occur they would delay their home search until the economy improves.

Three days earlier, realtor.com quoted its senior economist, George Ratiu, as saying, "This is going to be a much shorter recession than the last one. I don't think the next recession will be a repeat of 2008.... The housing market is in a better position." The biggest wildcard is probably the President's back-and-forth on a trade war with China and the rest of the world, and no economist (or presidential advisor) can predict that.

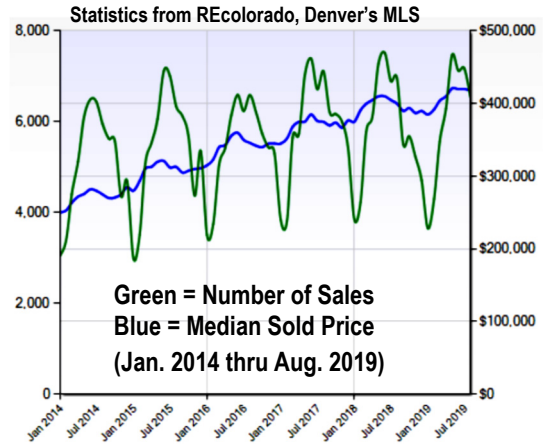
Realtor.com went on to say, "Aspiring buyers hoping that home prices will crash, like they did during the Great Recession, are likely in for a rude awakening. There simply aren't enough homes being built to satisfy the hordes of buyers. There isn't likely to be a drop-off in demand anytime soon."

We agree. Call us!

REAL ESTATE TODAY



By **JIM SMITH**, Realtor®



Just Listed: Home & Studio with 40-year-old Gardens



\$725,000

Personally, I'm a big fan of quality woodworking, and this house is owned by a woodworker and his artist wife. Every room in the house at **6404 Benton Street** in Arvada features his handywork in alder, oak, cherry and other woods and her artistic touches. The updated kitchen and bathrooms also feature quartz countertops. I can't do justice to this home in the limited space available here, so please go to www.ArvidaMasterpiece.info for my narrated video walk-through of this 1,585-sq.-ft. 1½-story Cape Cod home, its 1,800-sq.-ft. studio building, and detached 2-car garage with attic, not to mention the 2/3-acre lot with four-season gardens! This home is a must-see for anyone interested in urban gardening as well as those in need of workshop/studio space with 240-Volt power, and anyone who loves great woodworking! **Open Sat. & Sun, Sept. 7 & 8, from 11 to 2.** Call Chuck Brown, **303-885-7855**, for info.

Just Listed: Modern Log Home in North Lakewood

This is another home for people who love wood! The address is **2299 Estes Street**, a couple blocks south of Crown Hill Park. It's a modern log home, custom designed by the seller in 1977 featuring logs shipped down from Montana, beetle-kill pine paneling from a 1976 infestation in Colorado, weathered snow fence wood from Wyoming, and custom-made hickory cabinets from Kentucky in the 2008 remodeled kitchen, which also features Corian countertops. The logs are visible inside the home, not just on the outside. The 0.37-acre lot is a horse property, too, and a barn/loafing shed is still in the oversized backyard. Adding to the country feel is the gravel driveway, mature trees, and the absence of sidewalks on the street. View a video tour at www.LakewoodHome.info. I'll be holding it **open this Saturday from 11am to 2pm.** Come see it!



\$475,000

Just Listed: Totally Renovated Denver Bungalow



\$368,000

You won't want to miss this fully permitted renovation at **735 Perry Street** in the hot Villa Park neighborhood. It has 2 bedrooms and 2 baths, and everything is upgraded! New electric panel and electrical wiring, new plumbing, new heating and central air conditioning, new roof, siding, flooring, lighting, bathrooms, newer kitchen, appliances, master bedroom

suite, it's all new. It also has an on-demand tankless water heater. The fenced yard is spacious, with a storage shed and a sprinkler system. Enjoy the large 24'x10' covered patio, perfect for entertaining. The Lakewood Gulch Trail crosses Perry St. two blocks north of this home and the Perry St. station of the light rail's W Line is just two blocks farther north in the Lakewood/Dry Gulch Park. You can view a narrated video tour at www.DenverBungalow.info, then come to the **open house this Saturday, 11am to 2pm** or call listing agent **David Dlugasch** at **303-908-4835** for more info or a private showing.

Bring Your EV to Our Event

We already have 14 EVs registered for the National Drive Electric Week event in Golden Real Estate's parking lot on **Sept. 14th**. We have all 3 Tesla models plus models from BMW, Jaguar, Chevrolet and Hyundai. If you have another brand, please register it at www.DriveElectricWeek.info and come show it off. If you want to be an attendee, you can register at the same site. **See address below.**

GOLDEN REAL ESTATE

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